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5/12/88

FIRST AMENDMENT TO THE 745 ATLANTIC REALTY TRUST
HOUSING CREATION PROPOSAL

May 12, 1988

Introduction

On July 16, 1987, the Neighborhood Housing Trust recommended and the Boston Redevelopment Authority approved a Housing Creation Proposal (the "Proposal") submitted by 745 Atlantic Realty Trust as developer of a new office building at 745 Atlantic Avenue. In the Proposal, 745 Atlantic Realty Trust offered to contribute a development grant of approximately \$247,005 to the Bricklayers and Laborers Non-Profit Housing Corporation, Inc. for the development of 165 units of housing at the Back of the Hill site on Mission Hill. The amount of \$247,005 was the estimated net present value equivalent of 745 Atlantic Realty Trust's obligation to pay seven Development Impact Exactions of \$46,957.14. It is now known that the actual development grant amount will be \$265,906.86.

The Proposal described the Back of the Hill housing development as including twenty-nine (29) one bedroom units, ninety-eight (98) two bedroom units, and thirty-eight (38) three bedroom units. The Proposal further stated that fifty-four of these units would be sold at prices affordable to Low and Moderate Income Households, including seven (7) one bedroom units, thirty-four (34) two bedroom units, and thirteen (13) three-bedroom units, and that eight (8) total units would be reserved for handicapped persons. Since July 16, 1987, design changes have enabled the Bricklayers and Laborers Non-Profit Housing Corporation Inc. to enlarge and add extra bedrooms to sixteen of the units in the project, but unanticipated cost increases make it necessary to decrease by five the total number of units in the project affordable to Low and Moderate Income families. This amendment to the Housing Creation Proposal approves the final unit mix and pricing schedule and clarifies certain developer's obligations concerning the housing development.

Changes in Unit Mix

In community meetings concerning this project, residents of Mission Hill requested that the Bricklayers and Laborers Non-Profit Housing Corporation, Inc. include as many three bedroom family units in the housing development as possible. By redesigning certain phases of the project, the Bricklayers have found a way to substitute sixteen (16) extra three bedroom units for four (4) of the planned one bedroom units and twelve (12) of the planned two bedroom units. The final unit mix will include twenty-five (25) one bedroom units, eighty-six (86) two bedroom units, and fifty-four (54) three bedroom units.

Unanticipated Cost Increases and Changes in Home Sales Prices

At the time that the Housing Creation Proposal was presented to the Boston Redevelopment Authority on July 16, 1987, the project's total development costs were estimated at \$19,973,000 and sources of revenue were estimated at \$19,073,000, leaving a \$900,000 gap to be funded through increased non-linkage grants or increases in unit sales prices. Since that time, non-linkage grants have been increased by \$855,500, nearly filling the \$900,000 gap. However, unanticipated cost increases have raised the total development costs to \$21,296,500, leaving a remaining gap of \$1,367,500. The unanticipated cost increases are almost entirely due to the need for extra excavation and filling of a hilly portion of the site under the Ellingwood Street extension, construction of hundreds of extra linear feet of retaining wall needed because of soft soil conditions, and the remodeling of four (4) one bedroom units and twelve (12) two bedroom units into sixteen (16) extra three bedroom units. Without increasing the linkage award, the only source to raise such revenues is an increase in the housing unit sales prices.

The goal in adjusting the housing unit sales prices has been to maintain as many affordable units as possible, including units affordable to Low and Moderate Income Households as well as a middle tier of "HOP-moderate" units affordable to households meeting MHFA's income guidelines for first-time homebuyers. The revised unit prices will raise an additional \$1,367,500 while decreasing by five (from 54 to 49) the minimum number of units affordable to Low and Moderate Income Households. A minimum of fifty-seven (57) rather than sixty-seven (67) of the housing units shall still be sold at prices affordable to "HOP-moderate" income households. In total, a minimum of 64% of the housing units shall be sold at prices affordable to Low and Moderate and HOP-Moderate income households. The remaining 59 units may be sold at market rate prices.

The new unit mix, unit sales price schedule, and sources and uses of funds for the Back of the Hill Townhouses is attached hereto as Exhibit A.

Clarification of Developer's Obligations

The original Housing Creation Proposal also states that eight of the housing units will be reserved for handicapped residents and that housing units will be sold only to first-time homebuyers who are City of Boston residents. This amendment shall serve to clarify the developer's obligation concerning handicapped units by requiring that the developer shall make the eight handicapped units wheelchair accessible, shall include in said units features specifically designed for wheelchair occupants, and shall use best efforts to sell said units to handicapped persons. The developer shall be required to use best efforts to sell all units to City of Boston residents who are first time homebuyers, as defined by MHFA.

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EXHIBIT A

BACK OF THE HILL TOWNHOUSES

Sources and Uses of Funds

Uses of Funds

Land Costs	\$ 2,000,000
Hard Costs	17,253,795
Soft Costs	1,942,705
Contingency	100,000
	<u>\$ 21,296,500</u>

Sources of Funds

Sales Proceeds	\$ 18,461,500
CDAG	1,300,000
Linkage	900,000
NE Baptist	125,000
LEND	150,000
Open Space	210,000
Miscellaneous	150,000
	<u>\$ 21,296,500</u>

BACK OF THE HILL HOUSING

Unit Sales Prices

705	10	2 BR	@	\$116,000	=	\$ 1,160,000	
	6	3 BR	@	137,500	=	825,000	
	<u>16</u>					\$ 1,985,000	
1 BR	7		@	69,500	=	486,500	HOP Low
	10		@	89,500	=	895,000	HOP Mod
	8		@	116,500	=	932,000	Market
	<u>25</u>					2,313,500	
2BR	12		@	79,500	=	954,000	HOP Low
	7		@	96,500	=	675,500	HOP Mod
	29		@	105,500	=	3,059,500	HOP Mod
	28		@	133,500	=	3,738,000	Market
	<u>76</u>					8,427,000	
3BR	14		@	87,500	=	1,225,000	HOP Low
	11		@	107,500	=	1,182,500	HOP Mod
	23		@	144,500	=	3,323,500	Market
	<u>48</u>					5,736,000	

165 units

\$18,461,500

Affordability

705	16	10%	10%
HOP Low	33	20%	30%
HOP Mod	57	34%	64%
Market	59	36%	100%

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TO: BOSTON REDEVELOPMENT AUTHORITY
AND STEPHEN COYLE, DIRECTOR

FROM: RICARDO MILLETT, ASSISTANT DIRECTOR FOR
NEIGHBORHOOD HOUSING AND DEVELOPMENT
PENN MOULTON, SPECIAL ASSISTANT

SUBJECT: FIRST AMENDMENT TO THE HOUSING CREATION PROPOSAL
SUBMITTED BY 745 ATLANTIC REALTY TRUST AND
APPROVED BY THE BRA ON JULY 16, 1987

EXECUTIVE
SUMMARY:

On July 16, 1987, the BRA approved a Housing Creation Proposal submitted by 745 Atlantic Realty Trust dedicating approximately \$247,005 to the Bricklayers and Laborers Non-Profit Housing Corporation, Inc. as a development grant for the development of 165 units of housing at the Back of the Hill site on Mission Hill. Design improvements and unanticipated cost increases have brought about certain proposed changes in the unit mix and pricing of the Back of the Hill project. It is requested that this first amendment to the Housing Creation Proposal be approved to reflect the revised unit mix and unit pricing and to clarify certain obligations of the housing developer.

On July 16, 1987, the Authority approved a Housing Creation Proposal (the "Proposal") submitted by 745 Atlantic Realty Trust as developer of a new office building at 745 Atlantic Avenue. In the Proposal, 745 Atlantic Realty Trust offered to contribute a development grant of approximately \$247,005 to the Bricklayers and Laborers Non-Profit Housing Corporation, Inc. for the development of 165 units of housing at the Back of the Hill site on Mission Hill. The amount of \$247,005 was the estimated net present value equivalent of 745 Atlantic Realty Trust's obligation to pay seven Development Impact Exactions of \$46,957.14. It is now known that the actual development grant amount will be \$265,906.86.

The Proposal approved on July 16, 1987 described the Back of the Hill housing development as including twenty-nine (29) one bedroom units, ninety-eight (98) two bedroom units, and thirty-eight (38) three bedroom units. The Proposal further stated that fifty-four of these units would be affordable to Low and Moderate Income Households, including seven (7) one bedroom units, thirty-four (34) two bedroom units,

and thirteen (13) three-bedroom units, and that eight (8) total units will be Handicapped Units. Since July 16, 1987, design changes have enabled the Bricklayers and Laborers Non-Profit Housing Corporation, Inc. to enlarge and add extra bedrooms to sixteen of the units in the project, but unanticipated cost increases make it necessary to decrease by five the total number of units in the project affordable to Low and Moderate Income families. This amendment to the Housing Creation Proposal approves the final unit mix and pricing schedule and clarifies certain developer's obligations concerning the housing development.

In community meetings concerning this project, residents of Mission Hill requested that the Bricklayers and Laborers Non-Profit Housing Corporation, Inc. include as many three bedroom family units in the housing development as possible. By redesigning certain phases of the project, the Bricklayers have found a way to substitute sixteen (16) extra three bedroom units for four (4) of the planned one bedroom units and twelve (12) of the planned two bedroom units. The final unit mix will include twenty-five (25) one bedroom units, eighty-six (86) two bedroom units, and fifty-four (54) three bedroom units.

At the time that the Housing Creation Proposal was approved by the Authority on July 16, 1987, the project's total development costs were estimated at \$19,973,000 and sources of revenue were estimated at \$19,073,000, leaving a \$900,000 gap to be funded through increased non-linkage grants or increases in unit sales prices. Since that time, non-linkage grants have been increased by \$855,500, nearly filling the \$900,000 gap. However, unanticipated cost increases have raised the total development costs to \$21,296,500, leaving a remaining gap of \$1,367,500. The unanticipated cost increases are almost entirely due to the need for extra excavation and filling of a hilly portion of the site under the Ellingwood Street extension, construction of hundreds of extra linear feet of retaining wall needed because of soft soil conditions, and the remodeling of four (4) one bedroom units and twelve (12) two bedroom units into sixteen (16) extra three bedroom units. Without increasing the linkage award, the only source to raise such revenues is an increase in the housing unit sales prices.

The goal in adjusting the housing unit sales prices has been to maintain as many affordable units as possible, including units affordable to Low and Moderate Income Households as well as a middle tier of "HOP-moderate" units affordable to households meeting MHFA's income guidelines for first-time homebuyers. The revised unit prices will raise an additional \$1,367,500 while decreasing by five (from 54 to 49) the number

of units affordable to Low and Moderate Income Households. A minimum of fifty seven (57) rather than sixty seven (67) of the remaining units shall be sold at prices affordable to "HOP-moderate" income households. In total, a minimum of 64% of the housing units shall be affordable to Low and Moderate and HOP-Moderate income households. The remaining 59 units may be sold at market rate prices.

The original Housing Creation Proposal also states that eight of the housing units will be reserved for handicapped residents and that housing units will be sold only to first-time homebuyers who are City of Boston residents. This amendment shall serve to clarify the developer's obligation concerning handicapped units by requiring that the developer shall make the eight "handicapped units" wheelchair accessible, shall include in said units features specifically designed for wheelchair occupants, and shall use best efforts to sell said units to handicapped persons. The developer shall be required to use best efforts to sell all units to City of Boston residents who are first time homebuyers, as defined by MHFA.

It is requested therefore that the Housing Creation Proposal submitted by Children's Hospital as developer for a ten (10) story clinical care tower on a site bounded by Longwood Avenue, Binney Street, and Children's Way, and approved by the Authority on July 16, 1987 be amended to reflect the revised unit mix and unit pricing and to clarify certain obligations of the housing developer.

An appropriate vote follows:

VOTED: That the Authority finds on this date, May 12, 1988, regarding the proposed amendment to the Housing Creation Proposal submitted by The Children's Hospital as developer of a ten (10) story clinical care tower on a site bounded by Longwood Avenue, Binney Street, and Children's Way, and approved by the BRA on July 16, 1987: (1) that The Children's Hospital submitted on July 9, 1987 a Housing Creation Proposal pursuant to Section 26-3.2 of the Boston Zoning Code; (2) that the Housing Creation Proposal obligated The Children's Hospital to contribute approximately \$651,533 to the Bricklayer's and Laborer's Non-Profit Housing Company, Inc. as a development grant for the Back of the Hill housing development; (3) that the Authority forwarded the Housing Creation Proposal to the Neighborhood Housing Trust, which voted on July 16, 1987 to recommend that the Authority approve the Housing Creation Proposal; (4) that the Authority after notice and public hearing

July 16, 1987 the Housing Creation Proposal as submitted on July 9, 1987; (5) that certain changes in the unit mix and sales prices and certain clarifications of the developer's obligations are necessary and appropriate to the successful completion of the Back of the Hill development; (6) that such changes are proposed in the attached First Amendment to the 745 Atlantic Realty Trust Housing Creation Proposal; (7) that the Neighborhood Housing Trust voted on May 11, 1988 to recommend that the Authority approve the First Amendment to the 745 Atlantic Realty Trust Housing Creation Proposal;

AND
FURTHER
VOTED:

That the Housing Creation Proposal submitted by 745 Atlantic Realty Trust and approved by the Authority on July 16, 1988 is hereby amended with the attached First Amendment to the 745 Atlantic Realty Trust Housing Creation Proposal;

AND
FURTHER
VOTED:

That the Director be and hereby is authorized to execute a Housing Creation Agreement pursuant to the Housing Creation Regulations and such other documents as may be necessary to implement the Housing Creation Proposal and the First Amendment to the Housing Creation Proposal, to ensure the successful development of the said affordable housing development, each on such terms and conditions as the Director may deem necessary and appropriate and with such minor modifications as the Director may allow.

